

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6520-01
Bill No.: HB 2243
Subject: Health Care Professionals; Hospitals; Insurance - Medical
Type: Original
Date: April 14, 2014

Bill Summary: This proposal prohibits hospitals, health care facilities, and health care professionals from owning, operating or having a financial interest in health insurance entities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
County Foreign Insurance*	\$0	\$0	\$0
County Stock*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Savings and Losses net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that an unknown reduction of premium tax revenues as a result of the loss of licensed insurers in Missouri is possible. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts through out the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year.

Officials from the **Missouri Department of Conservation**, the **Department of Mental Health**, the **Department of Health and Senior Services**, the **Missouri Consolidated Health Care Plan**, and the **Department of Social Services** each assume the current proposal will not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to Department of Transportation for fiscal impact.

Officials from the **Department of Transportation** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
---	---------------------	---------	---------

GENERAL REVENUE FUND

Loss - DIFP

Reduction in Premium Tax Revenues	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
-----------------------------------	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
-------------------------	-------------------------	-------------------------

**COUNTY FOREIGN INSURANCE
FUND**

Loss - DIFP

Reduction in Premium Tax Revenues	(Unknown)	(Unknown)	(Unknown)
-----------------------------------	-----------	-----------	-----------

Savings - DIFP

Reduction in distributions to local political subdivisions	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
---	----------------	----------------	----------------

**ESTIMATED NET EFFECT ON
COUNTY FOREIGN INSURANCE
FUND***

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-------------------	-------------------	-------------------

*Savings and losses net to zero.

COUNTY STOCK FUND

Loss - DIFP

Reduction in Premium Tax Revenues	(Unknown)	(Unknown)	(Unknown)
-----------------------------------	-----------	-----------	-----------

Savings - DIFP - Reduction in
distributions to local political
subdivisions

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
----------------	----------------	----------------

**ESTIMATED NET EFFECT ON
COUNTY STOCK FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-------------------	-------------------	-------------------

*Savings and losses net to zero.

LO:LR:OD

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - Reduction of Premium Tax Revenues distributed from the County Foreign Insurance Fund and County Stock Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits a hospital, health care facility, health care professional, or group health provider from organizing, owning operating, administering, or having a financial interest in any health maintenance organization, managed care organization, accountable care organization, health carrier, health benefit plan, or other health insurance entity organized to provide health insurance policies and benefits to enrollees. These provisions must not apply to self-insurance, employment as a medical director, or other medical consultant for a specified entity.

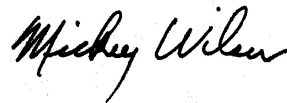
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Missouri Consolidated Health Care Plan
Missouri Highway Patrol
Department of Social Services
Department of Mental Health
Missouri Department of Conservation

Not Responding:

Department of Transportation



Mickey Wilson, CPA
Director
April 14, 2014

Ross Strobe
Assistant Director
April 14, 2014